# GOVERNMENT OF INDIA
# SMALL SCALE INDUSTRIES
# LOK SABHA

UNSTARRED QUESTION NO:2057
ANSWERED ON:16.03.2005
PROMOTION OF SMALL SCALE INDUSTRIES WITH FOREIGN ASSISTANCE
Barad Shri Jashubhai Dhanabhai

**Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:**

(a): whether the Union Government has a proposal to promote small scale industries in the country with foreign assistance;

(b): if so, the names of the countries with which joint ventures are proposed to be set up to promote small scale sector; and

(c): the extent to which it would be helpful to SSI Sector?

## Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES ( SHRI MAHABIR PRASAD )

(a)&(b): The Union Government adopts policies and introduces schemes, etc., from time to time to facilitate the growth and development of small scale industries(SSI) in the country. As part of these policies, individual entrepreneurs proposing to set up or actually operating SSI unit are authorized to tie up with foreign entities, with the latter`s equity participation being limited to 24 per cent of the paid up capital of the SSI units concerned. The SSI units are privately owned and such partnership are, therefore, decided and undertaking by the individual units. However, the Union Government in the Ministry of Small Scale Industries and the National Small Industries Corporation Ltd., a public sector undertaking under its administrative control, have entered into Memoranda of Understanding with several countries like South Korea, Italy, Taiwan, Germany, etc., to facilitate such partnerships.

(c): By entering into such partnerships, the SSI units gain through flow of investment, infusion of technology, sharing or transfer of managerial practices and marketing tie-ups.